



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live

Frank O'Bannon
Governor

Lori F. Kaplan
Commissioner

EPA Region 5 Records Ctr.

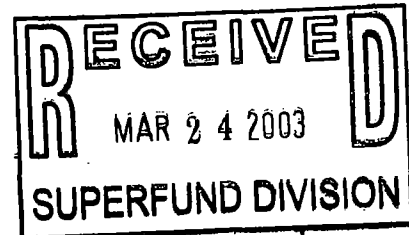


380806

100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
www.state.in.us/idem

March 17, 2003

Mr. Paul Cloud (AMSTE-SM-E)
Department of the Army, Headquarters
U.S. Army Test and Evaluation Command
314 Longs Corner Road
Aberdeen Proving Grounds, MD 21005



Dear Mr. Cloud:

Re: Finding of Suitability to Transfer (FOST) for the
Northeast Area Parcel, Jefferson Proving Ground
(JPG), Madison, IN

Staff of the Indiana Department of Environmental Management (IDEM) have reviewed the above referenced document. The Northeast Area Parcel FOST includes approximately 450 acres of property and 21 buildings within the Jefferson Proving Ground's BRAC facility south of the firing line. IDEM staff comments on this FOST are as follows:

Section 3.6, Lead-based Paint: No information has been provided with respect to the level of lead-based paint contamination, if any. Assessment and sampling are needed to determine if any environmental releases have occurred. IDEM staff consider the presence of exterior lead-based paint to pose a potential CERCLA release to the environment. We believe that the Army should sample the soils to determine whether or not any residual levels of lead pose a risk to human health and/or the environment. If there is any potential residential reuse, then requirements of HUD Title X should also be addressed.

Based on the comments presented in this letter, IDEM staff are not able to concur with the environmental assessment needed to support residential reuse for the Northeast Area Parcel FOST. If you have any questions, please call me at (317) 234-0354.

Sincerely,

Kevin D. Herron, Project Manager
Federal Programs Section
Office of Land Quality

KDH:tr

cc: Karen Mason-Smith, U.S. EPA
A. Brooks Evens, U.S. Army Corps of Engineers
Rex Osborn, IDEM

**FINDING OF SUITABILITY TO
TRANSFER**

**JEFFERSON PROVING
GROUND**

NORTH EASTERN PARCEL

FEBRUARY 2003

FINDING OF SUITABILITY TO TRANSFER

JEFFERSON PROVING GROUND

NORTH EASTERN PARCEL

FEBRUARY 2003

1. PURPOSE

The purpose of this Finding of Suitability to Transfer (FOST) is to document the environmental suitability of certain property at Jefferson Proving Ground (JPG), Madison, Indiana for transfer for residential and/or commercial reuse by the Ford Building and Lumber Supply Company consistent with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Section 120 (h) and Department of Defense policy. In addition, the FOST identifies the restrictions as specified in the attached Environmental Protection Provisions necessary to protect human health or the environment after such transfer.

2. PROPERTY DESCRIPTION

The proposed property to be transferred consists of approximately 465 acres, which includes 38 buildings. The buildings are identified as follows: # M-1-2-3, 222, 224, 226, 228, 232, 260, 272, 278, 290, 292, 508, 510, 512, 514, 516, 518, 520, 526, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 575, 576, 577, and 578. A parcel map and property description are attached (Enclosures 1 and 2).

3. ENVIRONMENTAL CONDITION OF THE PROPERTY

A determination of the environmental condition of the facilities has been made based on the Community Environmental Response Facilitation Act (CERFA) Report (April 1994). The information provided is a result of a complete search of agency files during the development of these environmental surveys. The following documents also provided additional/updated information on environmental conditions of the property: Final Draft Remedial Investigation for Jefferson Proving Ground, Madison, Indiana (July 1994); Draft Final Phase II Remedial Investigation (March 2002); Final Environmental Impact Statement for Disposal and Reuse of the Jefferson Proving Ground, Madison, Indiana (September 1995); Record of Decision for the Disposal and Reuse of JPG (December 1995); The Enhanced Preliminary Assessment Report, Jefferson Proving Ground (1990); Base Realignment and Closure Cleanup Plan (BCP) Version 1, (April 1994); BCP Version 2 (October 1995); BCP Version 3 (July 1997); Jefferson Proving Ground South of the Firing Line, Final Asbestos Survey summary Report (September 1993); Draft Summary Report Annual Asbestos Re-Inspection March 1995); Radon Survey (March-June 1989); Draft Phase II Remedial Investigation Jefferson Proving Ground, South of the Firing Line (August 1998); The U.S. Department of Agriculture, Natural Resources Conservation Service Report, "Climatological Station Index for Indiana" (Feb

1991), Field Office Technical Guide, Section One; Final Removal Report Ordnance Removal Action Jefferson Proving Ground Madison, Indiana March 1999; Statement of Clearance Airfield (West) and Woodfield Road Sites, Jefferson Proving Ground, Madison, Indiana April 27, 1999; Archive Search Report Ordnance and Explosive Waste Chemical Warfare Materials, Jefferson Proving Ground, Madison, Indiana (June 1995); Indiana Department of Environmental Management (IDEM) letter of April 11, 2002 (comments to Draft Technical Memorandum, UXO Soil Testing for the NE and SE Parcels for JPG); Responses to IDEM comments of April 11, 2002 (June 6, 2002); and Response to Comments for the Draft Technical Memorandum UXO Soil Testing for the NE and SE Parcels for Jefferson Proving Ground, IDEM letter of August 7, 2002.

3.1 ENVIRONMENTAL CONDITION OF PROPERTY CATEGORIES

The Department of Defense (DOD) Environmental Condition of Property (ECP) Categories for the property is as follows:

ECP Category 1: for the entire parcel

A summary of the ECP Category for the property is provided in Table 1 – Description of Property (Enclosure 3).

3.2 STORAGE, RELEASE, OR DISPOSAL OF HAZARDOUS SUBSTANCES

Hazardous substances, in excess of 40 CFR, part 373's reportable quantities, were stored for one year or more in the following buildings or areas:

There is no evidence that hazardous substances were stored for one year or more in excess of the 40 CFR part 373 reportable quantities on the property

Hazardous substances, in excess of 40 CFR, part 373's reportable quantities, were released or disposed of in the following buildings or areas:

There is no evidence that hazardous substances were released or disposed of in excess of the 40 CFR part 373 reportable quantities on the property.

A summary of the buildings or areas in which hazardous substance activities occurred is provided in Table 2 – Notification of Hazardous Substance Products Storage, Release, or Disposal (Enclosure 4).

3.3 PETROLEUM AND PETROLEUM PRODUCTS

3.3.1 Storage, release or disposal of petroleum products occurred next to or in the following buildings or areas:

There is no evidence that petroleum products in excess of 55 gallons were stored on the property.

Petroleum product releases or disposal in excess of 55 gallons occurred next to or in the following buildings or areas:

There is no evidence that petroleum product releases or disposal in excess of 55 gallons occurred on the property.

3.3.2 UNDERGROUND AND ABOVE-GROUND STORAGE TANKS (UST/AST)

There were no underground and no above-ground storage tanks (UST/AST) located on the property or used for storage of petroleum products.

3.4 POLYCHLORINATED BIPHENYL'S (PCB) EQUIPMENT

There are no PCB containing transformers or other PCB containing equipment located on the property and no evidence of un-remediated releases from PCB equipment.

3.5 ASBESTOS

Based on the asbestos containing material (ACM) survey reports (Final Asbestos Survey summary Report (September 1993); Draft Summary Report Annual Asbestos Re-Inspection March 1995) there is no known ACM in 27 of the 38 buildings within this parcel. The ACM in the remaining 11 buildings includes: Assumed roofing shingles, pipe insulation, and floor tiles. The asbestos assessment rating from the Jefferson Proving Ground South of the Firing Line, Final Asbestos Survey summary Report (September 1993) for the 11 buildings is "C" – for buildings # 222, 226 and 510; and "F – no immediate action necessary" for buildings # 228, 232, 260, 508, 512, 514, 516, and 520.

The ACM in these buildings does not currently pose a threat to human health or the environment because all friable asbestos that posed an unacceptable risk to human health has been removed or been encapsulated as demonstrated by the Draft Summary Report Annual Asbestos Re-Inspection March 1995. The deed will include the asbestos warning and covenant included in the Environmental Protection Provisions (Enclosure 6).

3.6 LEAD BASED PAINT

Based on the age of the buildings (constructed prior to 1978), all of the buildings within this parcel are presumed to contain lead-based paint. Prior to property transfer, the results of an Army lead-based paint inspection and risk assessment on all buildings currently occupied as residential or intended for residential use will be provided to the Ford Lumber and Building Supply Company, identifying those areas that may require abatement of lead-based paint hazards. The abatement will be the responsibility of the Ford Lumber and Building Supply Company upon transfer. The deed will include the lead-based paint warning and covenant provided in the Environmental Protection Provisions (Enclosure 6).

3.7 RADIOLOGICAL MATERIALS

There is no evidence that radioactive material or sources were used or stored on the property.

3.8 RADON

JPG has a total of 16 priority 1 structures (former residences, childcare centers, schools, and hospitals). All JPG priority 1 structures were assessed for indoor levels of radon and none exceeded the U.S. EPA suggested safe level of 4.0 picocuries per liter (pCi/l) criteria as indicated in the Jefferson Proving Ground Radon Sampling Program Report of November 2, 1989.

The buildings within this parcel are radon assessed priority 3 structures, and were not assessed for indoor levels of radon because there is no reason to believe they had significantly higher levels of radon than the JPG priority 1 structures that did not exceed the U.S. EPA suggested safe level of 4.0 pCi/l.

3.9 UNEXPLODED ORDNANCE

A review of available records and information indicated the possibility of unexploded ordnance (UXO) on approximately 41.5 acres of this parcel. A munitions response, UXO removal was conducted between August 1997 and November 1998. The approximate 41.5 acres were surveyed to a depth of 4 feet below the surface, resulting in the removal of 137 ordnance items, 19 of which were suspected of containing explosives. The UXO clearance depth for this area was determined by reviewing the JPG Archive Search Report (1995) results to insure that no ordnance which had the capability to penetrate to a depth greater than 4 feet below the surface and/or any other activities would have resulted in ordnance being located at a depth greater than 4 feet below the surface. The UXO clearance depth for this area is below the frost heave depth for this area of Indiana as identified in The U.S. Department of Agriculture, Natural Resources Conservation Service Report, "Climatological Station Index for Indiana" (Feb 1991), Field Office Technical Guide, Section One report. Testing of the soil for residual metals and/or explosives within craters created by suspected UXO items blown in place within this area resulted in not exceeding any level that would have required further or additional action. The objective of this investigation was not to determine nature and extent of contamination, but rather to determine if craters resulting from UXO that were blown in place presented sources of residual metals and explosives contamination. In addition, these areas represent very small areas to which both human and ecological receptors would have a potential for unacceptable exposure.

The UXO Statement of Clearance is provided as Enclosure 9. Because this portion of JPG was a military training area, and munition items were found, the potential UXO notification provision in Enclosure 6 will be provided in the deed.

3.10 Environmental Conditions of Adjacent Property

3.10.1 – Adjacent Remediation Sites

Adjacent property contains the following Remedial Investigation (RI) sites:

RI sites # 21a and 30 - Temporary Storage areas. These areas are located approximately 1400 feet to the west of the subject parcel. The area is posted with restricted access signs.

An interim removal action (soil removal) has occurred at RI site # 14 which is approximately 1 mile west of the subject parcel. Some additional soil removal at this site occurred during the Spring/Summer of 1999. Additional soil removal is still necessary. There is no known exposure pathway because of the interim removal action, and the clay soil composition and vegetation minimize migration of contaminants. There is no known groundwater contamination. There is no usage of groundwater with the JPG cantonment area and the entire facility is supplied with drinking water from the municipal water system of Madison, Indiana. The area is posted with restricted access signs.

3.10.2 – Adjacent UXO Sites

All UXO removal actions have been completed on the JPG Cantonment Area property. These UXO removal actions consisted of the following:

100-Acre Parcel UXO Removal: A time critical removal action on a 100-acre parcel south of the housing loop for the area identified as having a potential for the presence of UXO according to the Archive Search Report. The UXO clearance was performed to a depth of 4 feet below the surface and completed in August of 1996. The parcel containing this area was transferred in June 2001.

800-Acre Parcel UXO Removal: A time critical UXO removal action on a 800-acre parcel in the south-east quadrant of the JPG Cantonment area was performed for the area identified as having a potential for the presence of UXO according to the Archive Search Report. The UXO clearance was performed to a depth of 4 feet below the surface and completed in September 1999. This area is continuing to under go environmental remediation prior to disposal.

300-Acre Parcel UXO Removal: An Engineering Evaluation/Cost Analysis (EE/CA) Action Memorandum was signed (February 21, 2001) to perform a non-time critical removal for the area identified as having a potential for the presence of UXO according to the Archive Search Report. The fieldwork for the removal of the UXO within this area west of the airfield commenced in December 2001 and completed in May 2002.

Yellow Sulfur Area UXO Removal: During an interim removal action at the Yellow Sulfur Area (RI Site # 14), not a part of the parcel to be transferred, an area not previously determined to have a potential for UXO, UXO was discovered and removed.

JPG Impact Area: The JPG impact area (~51,000 acres) which is known to contain a significant amount of UXO is located immediately adjacent to this parcel but separated by an 8-foot high chain link fence topped with 3-strand v-shaped barbed wire. The JPG impact area is entirely surrounded by 8-foot high chain link fence topped with V-shaped 3-strand barbed wire, and posted with warning signs and no trespassing signs. There are currently no plans to remove UXO from the JPG Impact Area.

4. REMEDIATION

There are no environmental remediation orders or agreements applicable to the property being transferred. There is no documented evidence of groundwater contamination on the property. All necessary responses or remediation actions have been taken as required by the installation restoration program and the BRAC Cleanup Plan. There are no RI sites located on the property.

5. REGULATORY/PUBLIC COORDINATION

The U.S. EPA Region 5, the Indiana Department of Environmental Management (IDEM), and the public were notified of the initiation of this FOST. Regulatory/public comments received during the FOST development were reviewed and incorporated as appropriate. A copy of unresolved regulatory/public comments with Army responses will be included in the FOST (Enclosures 7 & 8).

6. NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) COMPLIANCE AND CONSISTENCY WITH LOCAL REUSE PLAN

The environmental impacts associated with the proposed transfer of the property have been analyzed in accordance with the National Environmental Policy Act (NEPA). The NEPA document is the Final Environmental Impact Statement for Disposal and Reuse. Any encumbrances or conditions identified in such analysis as necessary to protect human health and the environment have been incorporated into the FOST. In addition, the proposed transfer is consistent with the intended reuse of the property for residential and/or commercial.

7. ENVIRONMENTAL PROTECTION PROVISIONS

On the basis of the above results from the site-specific EBS and other environmental studies identified in paragraph 3, and in consideration of the intended use of the property, certain terms and conditions are required for the proposed transfer. These terms and conditions are set forth in the attached Environmental Protection Provisions and will be included in the deed in substantially similar form (Enclosure 6).

8. FINDING OF SUITABILITY TO TRANSFER

Based on the above information, I conclude that all Department of Defense requirements to reach a finding of suitability to transfer the property to the Ford Lumber and Building Supply Company have been met for the property subject to the terms and conditions set forth in the attached Environmental Protection Provisions (Enclosure 6). All removal or remedial actions necessary to protect human health and the environment have been taken and the property is transferable under CERCLA Section 120(h)(3).

In addition to the Environmental Protection Provisions, the deed for this transaction will contain:

The covenant under CERCLA Section 120 (h)(3)(A)(ii)(I) warranting that all remedial action under CERCLA necessary to protect human health and the

environment with respect to hazardous substances remaining on the Property has been taken before the date of transfer.

The covenant under CERCLA Section 120(h)(3)(A)(ii)(II) warranting that any additional remedial action under CERCLA found to be necessary after the date of transfer with respect to such hazardous substances remaining on the Property shall be conducted by the United States.

The clause as required by CERCLA Section 120 (h)(3)(A)(iii) granting the United States access to the Property in any case in which remedial action or corrective action is found to be necessary after the date of transfer.

As required under CERCLA Section 120(h) and DOD FOST Guidance, notification of hazardous substance activities shall be provided in the deed. See Table 2 – Notification of Hazardous Substance Storage, Release, or Disposal (Enclosure 4).

Raymond J. Fatz
Deputy Assistant Secretary of the Army
For Environment, Safety and
Occupational Health

9 Enclosures

Enclosure 1 – Description of Property

Enclosure 2 – Site map of Property

Enclosure 3 – Table 1 Description of Property (Buildings)

Enclosure 4 – Table 2 – Notification of Hazardous Substance Storage, Release or Disposal

Enclosure 5 – Table 3 – Notification of Petroleum Product Storage, Release, or Disposal

Enclosure 6 – Environmental Protection Provisions

Enclosure 7 – Unresolved regulator/public comments

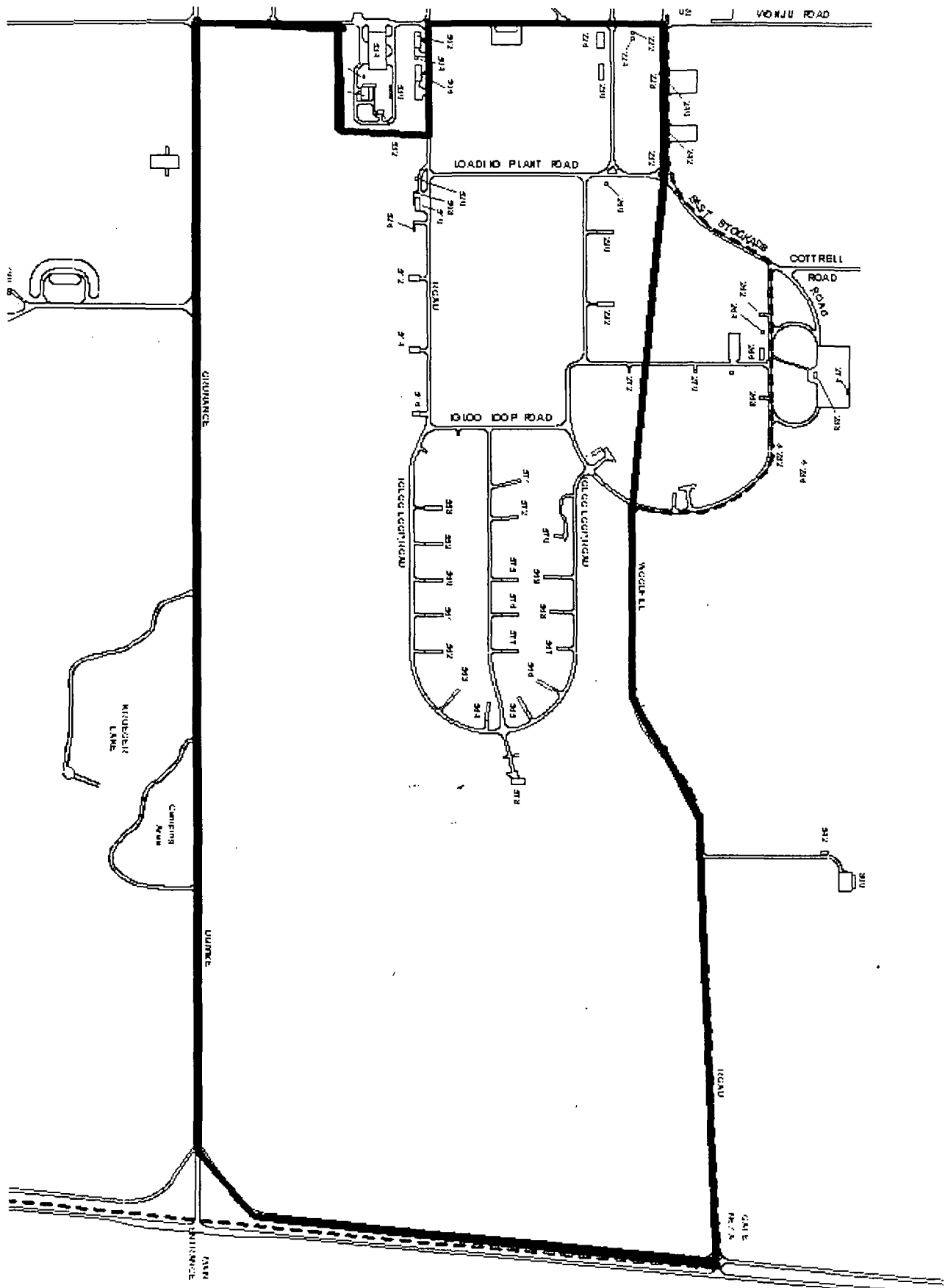
Enclosure 8 - Army Response to Unresolved Regulatory/Public Comments

Enclosure 9 - Unexploded Ordnance Statement of Clearance

DESCRIPTION of PROPERTY

1. Start just north of the intersection of Shun Pike Road and Main Front Roads next to the east-west perimeter fence.
2. Then south on Shun Pike Road to the intersection of Shun Pike Road and Ordnance Drive.
3. Then east on Ordnance Drive to approximately 460 feet west of the entrance at Gate # 1.
4. Then north-east onto the East Perimeter Road continuing northeast to the east perimeter of the facility.
5. Then north along the east perimeter of the facility to the intersection of the east perimeter of the facility and the east-west perimeter fence.
6. Then west along the east-west fence to the intersection of Shun Pike Road and the east-west perimeter fence.
7. **Excluded** from this parcel is the area described as follows: The building complex, which contains buildings # 502, 504, 506, 528, 530, 532, 534 and 536 previously transferred as part of the Central Cantonment Area parcel.

Enclosure 1



Enclosure 2

TABLE 1

Table 1 – Description of Property (Building)

Building Number and Property Description	EBS parcel Designation	Condition of Category **	Remedial Action
Bldg. 222 is a 180 square foot former observation Building	1Q-/A/L/X/RD	1	NONE
Bldg. 224 is a 165 square foot former Safety Shelter	1Q-/A/L/X/RD	1	NONE
Bldg. 226 is a 4,352 square foot former Electrical Maintenance Facility	1Q-/A/L/X/RD	1	NONE
Bldg. 228 is a 106 square foot former Transformer House	1Q-/A/L/X/RD	1	NONE
Bldg. 232 is a 179 square foot former Control Structure	1Q-/A/L/X/RD	1	NONE
Bldg. 260 is a 68 square foot former Switch Station	1Q-/A/L/X/RD	1	NONE
Bldg. 272 is a 2,396 square foot former Igloo Ammunition Storage Structure	1Q-/A/L/X/RD	1	NONE
Bldg. 278 is a 2,396 square foot former Igloo Ammunition Storage Structure	69Q-L	1	NONE
Bldg. 290 is a 2,394 square foot former Igloo Ammunition Storage Structure	55Q-/L	1	NONE
Bldg. 292 is a 2,396 square foot former Igloo Ammunition Storage Structure	67Q-/L	1	NONE
Bldg. 508 is a 106 square foot former Transformer House	68Q-/L	1	NONE
Bldg. 510 is a 1,653 square foot former Ammunition Disassembly Facility	88Q-A/L	1	NONE
Bldg. 512 is a 1,191	88Q-A/L	1	NONE

square foot former Fuze Magazine			
Bldg. 514 is a 1,191 square foot former Fuze Magazine	88Q-A/L	1	NONE
Bldg. 516 is a 135 square foot former General Purpose Storage Magazine	89Q-A/L	1	NONE
Bldg. 518 is a 106 square foot former Transformer House	Not Listed in CERFA Report	1	NONE
Bldg. 520 is a 150 square foot former Break Room	88Q-A/L	1	NONE
Bldg. 526 is a 269 square foot former Igloo Ammunition Storage Structure	88Q-A/L	1	NONE
Bldg. 558 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 559 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 560 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 561 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 562 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 563 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 564 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 565 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE

Bldg. 566 is a 1,150 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 567 is a 1,150 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 568 is a 1,150 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 569 is a 1,150 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 570 is a 1,150 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 571 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 572 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 575 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 576 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 577 is a 2,396 square foot former Igloo Ammunition Storage Structure	70Q-/L/RD	1	NONE
Bldg. 278 is a 1,400 Square former General Purpose Storage Structure	70Q-/L/RD	1	NONE
Facility M-1-2-3 is a 80 square foot former portable Shelter	Not Listed in CERFA Report	1	NONE

****Environmental Condition Codes**

Category 1: Areas where no release or disposal of hazardous substance or petroleum products has occurred (including no migration of these substances from adjacent areas).

Category 2: Areas where only release or disposal of petroleum products has occurred.

Category 3: Areas where release, disposal, and/or migration of hazardous substances has occurred, but at concentrations that do not require a removal or remedial response.

Category 4: Areas where release, disposal, and/or migration of hazardous substances has occurred, and all removal or remedial actions to protect human health and the environment have been taken.

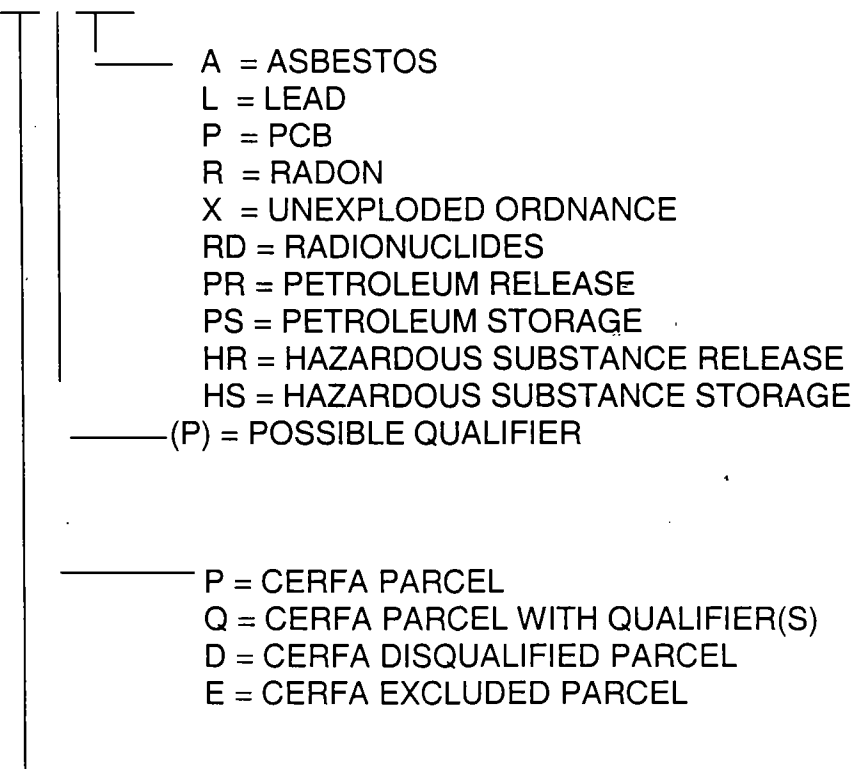
Category 5: Areas where release, disposal, and/or migration of hazardous substances has occurred, and removal or remedial actions are underway, but all required remedial actions have not yet been taken.

Category 6: Areas where release, disposal, and/or migration of hazardous substances has occurred, but required actions have not yet been implemented.

Category 7: Areas that are not evaluated or require additional evaluation.

CERFA PARCEL LABEL DEFINITIONS

13 P-/A/L/



PARCEL NUMBER

Enclosure 3

TABLE 2

Table 2 – Notification of Hazardous Substance Storage, Release, and Disposal

Area	Name of Hazardous Substance(s)	Date of Storage, Release, or Disposal	Remedial Action
North Eastern Parcel	NONE	N/A	N/A

TABLE 3

Table 3 – Notification of Petroleum Product Storage, Release, and Disposal

Building Number	Name of Petroleum Product(s)	Date of Storage, Release or Disposal	Remedial Actions
NONE	N/A	N/A	N/A

ENCLOSURE 6

ENVIRONMENTAL PROTECTION PROVISIONS

The following conditions, restrictions, and notifications, or substantially equivalent provisions, will be placed in the deed in substantially similar form to ensure protection of human health and the environment and to preclude any interference with ongoing or completed remediation activities at Jefferson Proving Ground.

1. INCLUSION OF PROVISIONS: The person or entity to whom the property is transferred shall neither transfer the property, lease the property, nor grant any interest, privilege, or license whatsoever in connection with the property without the inclusion of the environmental protection provisions contained herein, and shall require the inclusion of such environmental protection provisions in all further deeds, transfers, leases, or grant of any interest, privilege, or license.

2. NO LIABILITY FOR NON-ARMY CONTAMINATION: The Army shall not incur liability for additional response action or corrective action found to be necessary after the date of transfer in any case in which the person or entity to whom the property is transferred, or other non-Army entities, is identified as the party responsible for contamination of the property.

3. CERCLA COVENANTS AND NOTICE

Pursuant to Section 120(h)(3) of the Comprehensive Environmental Response Compensation, and Liability Act, as amended, 42 U.S.C. Section 9601 et seq ("CERCLA"):

A. For the Property:

1. The Grantor hereby notifies the Grantee of the storage, release and disposal of hazardous substances on the Property. For the purpose of this Deed, "hazardous substances" shall have the same meaning as section 101 (14) of CERCLA. Available information regarding the type, quantity, and location of such substances and action taken is provided in Enclosures 4 and 5 herein. Based upon this information, the Grantor has determined the Property is suitable for transfer in accordance with the provisions of this Deed.

2. The Grantor hereby covenants that:

a. All remedial action necessary to protect human health and the environment with respect to any such hazardous substances remaining on the Property has been taken before the date of conveyance hereunder; and

b. Any additional remedial action found to be necessary with regard to such hazardous substances remaining after the date of the conveyance that resulted from past activities shall be conducted by the Grantor. This covenant shall not apply in any case in which the person or entity to whom

the Property is transferred is a potentially responsible party under CERCLA with respect to the Property.

B. The Grantor reserves an easement and right of access on, over and through the Property for inspection, investigation, monitoring, sampling, testing, remedial action, corrective action or other action (collectively "Response Actions") that the Grantor deems necessary after the date of this conveyance in order to fulfill the Grantor's environmental responsibilities under this Deed or applicable law, including the right of the Grantor to ensure compliance with the Restrictive Covenants imposed by this Deed. In exercising these rights of access, except in case of imminent endangerment to human health or the environment, the Grantor shall give the Grantee, or the then record owner, reasonable prior written notice of Response Actions to be taken in, or on the Property and shall use reasonable means, without significant additional cost to the Grantor, to avoid and/or minimize interference with the Grantee's use of the Property. Subject to the provisions of this Subsection 3.B and except as otherwise provided for by law, the Grantee, the then record owner, and any other person shall have no claim or cause of action against the Grantor or any officer, agent, employee or contractors for interference with the use of the Property based upon Response Actions taken under this Subsection 3.B.

4. ENVIRONMENTAL BASELINE SURVEY ("EBS") AND FINDING OF SUITABILITY TO TRANSFER ("FOST")

A. The Grantee acknowledges receipt of the Environmental Baseline Survey (EBS) also known as the Community Environmental Response Facilitation Act (CERFA) Report, dated April 1994, prepared by the Grantor for the Property, and the Grantee agrees to the best of the Grantee's knowledge that they accurately describe the environmental condition of the Property. The Grantee has inspected the Property and accepts the physical condition and current level of environmental hazards on the Property and deems the Property to be safe for the Grantee's intended use.

B. If after conveyance of the Property to the Grantee, there is an actual or threatened release of a hazardous substance on the Property, or in the event that a hazardous substance is discovered on the Property after the date of the conveyance, whether or not such substance was set forth in the EBS, the Grantee, its successors or assigns shall be responsible for such release or newly discovered substance unless such release or such newly discovered substance was due to Grantor's activities, use or occupation of the Property, or the activities of Grantor's contractors and/or agents or such newly discovered substance was present on the Property at or prior to the date of conveyance. The Grantee, as consideration for the conveyance, agrees to hold the Grantor harmless from, and indemnify the Grantor against any liability for any claims arising out of or in any way predicated on release of any hazardous substance on the Property occurring after the conveyance, where such substance was placed on the Property by the Grantee, its successors or assigns, its agents, contractors, invitees, or its lessees or sublessees after the conveyance or lease. This paragraph shall not affect the Grantor's responsibilities to conduct response actions or corrective actions that are required by applicable laws and regulations.

5. NOTICE OF UNEXPLODED ORDNANCE AND REMOVAL

A. Notice

1. The Grantor completed a comprehensive records search and, based upon that search, has undertaken and completed statistical and physical testing of areas on the Property where the presence of unexploded ordnance ("UXO") was considered possible. Based upon said search and testing, UXO was found and removed from the Property described in Appendix A of the Final Removal Report Ordnance Removal Action, Jefferson Proving Ground Madison, Indiana, March 1999. Within the boundaries of the Property, the Grantor removed all UXO which was reasonably possible to detect, to a depth of four (4) feet below the surface of the ground, as shown in Appendix A of the Final Removal Report Ordnance Removal Action, Jefferson Proving Ground, Madison, Indiana, March 1999. The Grantor and the Grantee agree that the level of survey and removal work that has been conducted for the Property is fully protective of human health and safety for unrestricted end use in accordance with the Statement of Clearance for the Airfield (West) and Woodfield Road Sites, Jefferson Proving Ground, Indiana, April 27, 1999.

2. The Grantee acknowledges receipt and opportunity to review the Final Removal Report Ordnance Removal Action Jefferson Proving Ground Madison, Indiana (March 1999) prior to conveyance of the Property.

3. Notwithstanding the records search, testing, and removal conducted by the Grantor, the parties acknowledge that, as this Property has former military training areas where UXO has been found, there is a possibility that UXO may remain on the Property. Upon due notice, the Grantor agrees to remove any such remaining UXO discovered on the Property, as required under applicable law and regulations, as expeditiously as is reasonable and practicable, subject to the availability of funds.

4. If the Grantee, any subsequent owner, or any other person should find any UXO on the Property, they should not move or disturb the item and shall immediately call the local police or local fire authorities and U.S. Army Corps of Engineers, Louisville District, P.O. Box 59, Louisville, Kentucky 40201, (502) 315-6963.

6. NOTICE OF THE PRESENCE OF LEAD BASED PAINT AND COVENANT AGAINST THE USE OF THE PROPERTY FOR RESIDENTIAL PURPOSES

A. The Grantee is hereby informed and does acknowledge that for Jefferson Proving Ground, Jefferson County, Indiana all buildings located within the boundary of the Property, were constructed prior to 1978, and are presumed to contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Every purchaser of any interest in Residential Real Property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage,

including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in Residential Real Property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. "Residential Real Property" means dwelling units, buildings visited regularly by the same child, 6 years of age or under, on at least two different days within any week, including day-care centers, preschools and kindergarten classrooms, common areas, building exterior surfaces, and any surrounding land, including outbuildings, fences and play equipment affixed to the land, available for use by residents but not including land used for agricultural, commercial, industrial, or other non-residential purposes, and not including paint on the pavement of parking lots, garages, or roadways.

B. Available information concerning known lead-based paint and/or lead-based paint hazards, the location of lead-based paint and/or lead-based paint hazards, and the condition of painted surfaces is contained in the EBS, Finding of Suitability To Transfer, Jefferson Proving Ground, Northeast Area Parcel, and lead-based paint inspection/risk assessment for the property which has been provided to the Grantee. All purchasers must also receive the federally-approved pamphlet on lead poisoning prevention. The Grantee hereby acknowledges receipt of the information described in this subparagraph.

C. The Grantee acknowledges that it has received the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards prior to execution and delivery of the Quitclaim Deed Of Conveyance.

D. The Grantee, its successors and assigns, shall not permit the occupancy or use of the building/structure located upon the Property as Residential Real Property, as defined in this paragraph, without complying with this section and all applicable federal, state, and local laws and regulations pertaining to lead-based paint and/or lead-based paint hazards. Prior to permitting the occupancy of the referenced building/structure where its use subsequent to sale is intended for residential habitation, the Grantee specifically agrees to perform, at its sole expense, the Army's abatement requirements under Title X of the Housing and Community Development Act of 1992 (Residential Lead-Based Paint Hazard Reduction Act of 1992) (hereinafter Title X).

The Grantee, its successors and assigns, shall after consideration of the guidelines and regulations established pursuant to Title X: (i.) Perform a risk assessment if more than 12 months have elapsed since the date of the last risk assessment; (ii.) Comply with the joint HUD and EPA Disclosure Rule (24 CFR 35, Subpart H, 40 CFR 745, Subpart F), when applicable, by disclosing to prospective purchasers the known presence of lead-based paint and/or lead-based paint hazards as determined by previous risk assessments; (iii.) Abate lead dust and lead-based paint hazards in pre-1960 Residential Real Property, as defined in this paragraph, in accordance with procedures in 24 CFR 35; (iv.) Abate soil lead hazards in pre-1978 Residential Real Property, as defined in this paragraph, in accordance with procedures in 24 CFR 35; (v.) Abate lead-soil hazards following demolition and redevelopment of structures in areas that will be developed as residential real property; (vi.) Comply with the EPA lead-based

paint work standards when conducting lead-based paint activities (40 CFR 745, Subpart L); (vii.) Perform the activities described in this paragraph within 12 months of the date of the lead-based paint assessment and prior to occupancy or use of the residential real property; and (viii.) Send a copy of the clearance documentation to the grantor.

In complying with these requirements, the Grantee, its successors and assigns, shall be responsible for any abatement or remediation of lead-based paint and/or lead-based paint hazards on the Property found to be necessary as a result of the subsequent use of said property for residential purposes. The Grantee, its successors and assigns, shall comply with solid or hazardous waste laws that may apply to any waste that may be generated during the course of lead-based paint abatement activities.

E. The Grantee, its successors and assigns, shall indemnify and hold harmless the Army, its officers, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs and attorney's fees arising out of, or in any manner predicated upon personal injury, death or property damage resulting from, related to, caused by or arising out of lead-based paint and/or lead-based paint hazards on the Property if used for residential purposes.

F. The covenants, restrictions, and requirements as set forth in this paragraph shall be binding upon the Grantee, its successors and assigns, and all future owners and shall be deemed to run with the land. The Grantee, its successors and assigns, shall include and make legally binding, the covenants, restrictions, and requirements as set forth in this paragraph in all subsequent transfers, leases, or conveyance documents.

7. NOTICE OF THE PRESENCE OF ASBESTOS AND COVENANT

A. The Grantee is hereby informed and does acknowledge that friable and non-friable asbestos or asbestos-containing materials ("ACM") have been found on the Property, as described in the EBS. To the best of the Grantor's knowledge, the ACM on the Property does not currently pose a threat to human health or the environment because all friable asbestos that posed an unacceptable risk to human health has been removed or been encapsulated.

B. The Grantee covenants and agrees that its use and occupancy of the Property will be in compliance with all applicable laws relating to asbestos; and that the Grantor assumes no liability for any future remediation of asbestos or damages for personal injury, illness, disability, or death, to the Grantee, its successors or assigns, or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with asbestos or ACM on the Property, whether the Grantee, its successors or assigns have properly warned or failed to properly warn the individual(s) injured. The Grantee agrees to be responsible for any future remediation of asbestos found to be necessary on the Property. The Grantee assumes no liability for damages for personal injury, illness, disability, death or

property damage arising from (1) any exposure or failure to comply with any legal requirements applicable to asbestos on any portion of the Property arising prior to the Grantor's conveyance of such portion of the Property to the Grantee pursuant to this Deed, or (2) any disposal, prior to the Grantor's conveyance of the Property of any asbestos or ACM.

C. Unprotected or unregulated exposures to asbestos in product manufacturing, shipyards, building construction workplaces have been associated with asbestos-related diseases. Both Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA) regulate asbestos because of the potential hazards associated with exposure to airborne asbestos fibers. Both OSHA and EPA have determined that such exposure increases the risk of asbestos-related diseases, which include certain cancers and which can result in disability or death.

D. The Grantee acknowledges that it has inspected the property as to its asbestos content and condition, prior to accepting the responsibilities imposed upon the Grantee under this section. The failure of the Grantee to inspect, or to be fully informed as to the asbestos condition of all or any portion of the property offered, will not constitute grounds for any claim or demand against the United States, or any adjustment under this Deed.

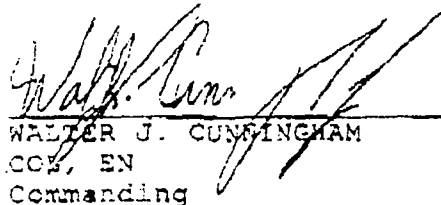
E. The Grantee further agrees to indemnify and hold harmless the Grantor, its officers, agents and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs and attorney's fees arising out of, or in any manner predicated upon, exposure to asbestos on any portion of the Property after this conveyance of the Property to the Grantee or any future remediation or abatement of asbestos or the need thereof. The Grantee's obligation hereunder shall apply whenever the United States incurs costs or liabilities for actions giving rise to liability under this section.

STATEMENT OF CLEARANCE

AIRFIELD (WEST) AND
WOODFIELD ROAD SITES,
JEFFERSON PROVING GROUND,
MADISON, INDIANA

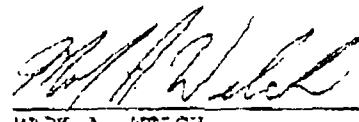
The following parcel of land as described by coordinates in Appendix A and C described in the enclosed removal report and located in the boundaries of Jefferson Proving Ground, Madison, Indiana, has been given careful search by UXB International under contract to the U.S. Army Engineering and Support Center, Huntsville, Contract No. DACA87-97-D-0006, Delivery Order 0002, and has been cleared of all dangerous and explosive ordnance reasonably possible to detect. The ordnance items described on Page 14, Paragraph 2.5.4., Table 2 and Appendix E of the enclosed report were removed from the sites. It is recommended that the area shown as the Project Site on Figure 1, Page 5 and Appendix A of the attached removal report have unrestricted end use. This parcel of land should be released for any use for which the land is suited. However, as these lands were military training areas and ordnance items have been found, we recommend reasonable and prudent precautions for all personnel performing intrusive activities on these sites, including notification of site personnel conducting construction activities of the former use of this site. This action has been conducted in accordance with Army Regulations 385-64 and 405-90.

SUBMITTED BY:


WALTER J. CUNNINGHAM
COE, EN
Commanding

27 APR 99
(date)

APPROVED BY:


MARK A. WELCH
MAJ, CM, Commanding
ENCLOSURE-Removal Report, March 1999

27 APR 99
(date)